

STATUTORY DECLARATION

Oaths and Declarations Act 1957

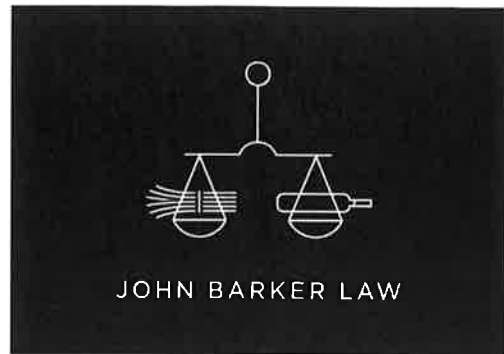
I, Robert Brewer of Wellington, Chief Executive, solemnly and sincerely declare that:

1. the information provided in this application fully sets out the matters required; and
2. the information is true to the best of my knowledge and belief; and
3. no information has been withheld which might prejudice this application to the best of my knowledge and belief.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at Wellington this 23rd day of MAY 2018.

Declared before me:



APPLICATION TO AMEND AUSTRALIA
NEW ZEALAND FOOD STANDARDS
CODE: *MINIMUM ALCOHOL
PERCENTAGE FOR SPIRITS USING THE
GEOGRAPHICAL INDICATION
"TEQUILA"*

1 CONTENTS

Part 3.1	General Requirements	3
Part 3.1.1	Applicant details.....	3
	Applicant's name(s):	3
	Company/Organisation name:.....	3
	Address:	3
	Telephone number:	3
	Email address:	3
	Consultant (alternative contact):.....	3
	Nature of applicant's business:.....	3
	Details of other individuals, companies or organisations associated with the application:	3
Part 3.1.1C	Purpose of the application.....	4
	Purpose of application	4
	Standard(s) requiring amendment	4
Part 3.1.1D	Justification for the application	4
	a) Need for the proposed change	4
	(b) Advantages and disadvantages of proposed change over status quo.....	10
	(c) Status of similar applications made in other countries	11
3.1.1D.1	Regulatory impact information.....	11
	D.1.1 Costs and benefits	11
	D.1.2 Impact on International Trade	12
Part 3.1.1E	Information to support the application	12
	Public health and safety issues	12
	Support for the application.....	12
Part 3.1.1F	Assessment Procedure.....	12
Part 3.1.1G and H	Commercial Information	13
Part 3.1.1I	Exclusive Capturable Benefit.....	13
Part 3.1.1J	International and Other National Standards	13

J.1	Codex Alimentarius	13
J.2	Other National Standards or Regulations	13
Part 3.1.1K	Statutory Declaration	14
Part 3.1.1L	Checklist	14
Part 3.6.1	Standardised Foods	15
Part 3.6.1A	General information to support the proposed compositional change.....	15
A.2	List of the foods likely to be affected by the proposed compositional change	15
Part 3.6.1B	Information related to nutritional impact	15
B.1	Information on the nutritional content of the standardised food	15
Part 3.6.1C	Information related to potential impact on consumer understanding and behaviour	16
C.1	Information to demonstrate consumer understanding of the proposed compositional change	16
C.2	Information to demonstrate that the proposed compositional change will not have any adverse health or diet impacts on any population groups (e.g. age or cultural groups).	16
Appendix 1	- General Declaration for Protection of the Appellation Of Origin "Tequila"	
Appendix 2	- Official Mexican Standard for Tequila	
Appendix 3	– Letter from DSICA	
Appendix 4	– Letter from CNIT	

PART 3.1 GENERAL REQUIREMENTS

PART 3.1.1 APPLICANT DETAILS

Applicant's name(s):

Company/Organisation name:

Spirits New Zealand Inc.

Address:

- i. Street: Level 1, 56 Victoria Street, Wellington Central, Wellington
- ii. Postal: PO Box 10612, Wellington 6143

Telephone number:

+ 64 (21) 505 044

Email address:

Consultant (alternative contact):

Nature of applicant's business:

Non-profit incorporated society representing the spirits industry in New Zealand.

Details of other individuals, companies or organisations associated with the application:

The Applicant has 9 full members and 3 associate members. Collectively, they represent the substantial majority of spirits production, importation and distribution within New Zealand.

This application is supported by the Distilled Spirits Industry Council of Australia as well as the *Cámara Nacional de la Industria Tequila* (National Chamber for the Tequila Industry) in Mexico.

PART 3.1.1C PURPOSE OF THE APPLICATION

Purpose of application

The purpose of the Application is to lower the minimum alcohol percentage by volume specified in Standard 2.7.5 of the Australia New Zealand Food Standards Code (the **FSC**) for spirits using the *Tequila* geographical indication (GI) from 37% to 35%. This will ensure that all spirits legally entitled to use the *Tequila* GI under the relevant laws of Mexico can be sold in New Zealand and Australia.

Standard(s) requiring amendment

The applicant is requesting an amendment to the FSC to amend the minimum alcohol by volume required for spirits in 2.7.5-3(3) of **Standard 2.7.5: Spirits** in relation to products legally entitled to the *Tequila* GI only.

PART 3.1.1D JUSTIFICATION FOR THE APPLICATION

a) Need for the proposed change

The need for the proposed change arises from the discrepancy between Standard 2.7.5, which requires spirits to have a minimum alcohol content of 37% by volume, and the official Mexican rules for the *Tequila* GI which allow authentic *Tequila* to be produced at a minimum alcohol content of 35% by volume.

The effect of this discrepancy is to exclude certain products legally entitled to the *Tequila* GI from the New Zealand and Australian markets. The proposed change would ensure that all products legally produced in Mexico under the *Tequila* GI can be sold in Australia and New Zealand. Such a change would:

- give consumers greater choice across the full range of products entitled to use the *Tequila* GI;
- be consistent with the recognition of the *Tequila* GI by the Governments of Australia and New Zealand; and
- avoid unnecessary obstacles to trade.

Official definition of “Tequila” in Mexico

Tequila is the Mexican GI used for a distilled alcoholic beverage produced in certain states and municipalities of Mexico from the *Agave tequilana weber blue* variety. *Tequila* was first declared to be a *Denominación de Origen* (Denomination of Origin) by the Government of Mexico pursuant to the Law of Inventions and Trademarks in 1974, and amended by a further declaration in 1977. A translation of the current (1977) declaration is attached as **Appendix 1**.

A *Denominación de Origen* is a type of geographical indication which identifies a spirit (in this case *Tequila*) as originating in a particular country, locality or region where a given quality, reputation or other characteristic of the spirit is essentially attributable to its origin in that particular country, locality or region. The *Denominación de Origen* rules for *Tequila* allow the production of *Tequila* only within the states and municipalities of Mexico specified in the official Declaration.

A *Denominación de Origen* requires not only that the spirits in question are made within a particular geographical area, but also that they conform to strict production conditions. In the case of *Tequila*, the product specifications are set out in an official Mexican standard *NOM-006-SCFI-2005 Alcoholic Beverages – Tequila – Specifications*. A translation of that standard is attached as **Appendix 2**.

Tequila is defined in *NOM-006-SCFI-2005* at 4.34 as follows:

The regional alcoholic beverage obtained by distilling musts, prepared directly and originally from extracted material, in the manufacturing facilities of an Authorized Producer, which must be located in the territory specified in the Declaration, derived from the hearts of tequilana weber blue variety Agave, previously or subsequently hydrolyzed or cooked, and subjected to alcoholic fermentation with cultivated or uncultivated yeasts, wherein said musts may be enhanced and blended together before fermentation with other sugars up to a proportion no greater than 49% of total reducing sugars expressed in units of mass, pursuant to this Official Mexican Standard, and with the understanding that cold mixing is not permitted. Tequila is a liquid that, according to its type, is colorless or colored when aged in oak or Encino oak (holm or holm oak) wood containers, or when mellowed without aging.

Tequila may be produced as “100% Agave” indicating that 100% of the fermentable sugars are derived from Agave, or it may be produced in standard versions containing no less than 51% of fermentable sugars derived from Agave. *Tequila* is further classified according to the duration and method of ageing as follows:

- Blanco or Plata (Silver)
- Joven or Oro (Gold)
- Reposado (Aged)
- Añejo (Extra-aged)
- Extra Añejo (Ultra-aged)

Among other requirements, *Tequila* must conform to certain physical-chemical specifications as set out in the following table:

Parameters	Silver Tequila	Gold Tequila	Aged Tequila	Extra Aged Tequila	Ultra Aged Tequila	Test method based on: (1)
------------	----------------	--------------	--------------	--------------------	--------------------	---------------------------

	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	
Alcohol Content at 293 K (20°C) (% Alc. Vol.)	35	55	35	55	35	55	35	55	35	55	NMX-V-013-NORMEX
Dry Extract (g/l)	0	0,30	0	5	0	5	0	5	0	5	NMX-V-017-NORMEX
Values expressed in mg/100 ml of Absolute (Anhydrous) Alcohol											
Higher Alcohols (alcohols with molecular weight higher than ethyl alcohol or fusel oil) (E.g. Amyl Alcohol)	20	500	20	500	20	500	20	500	20	500	NMX-V-005-NORMEX
Methanol (2)	30	300	30	300	30	300	30	300	30	300	NMX-V-005-NORMEX
Aldehydes (such as acetaldehyde)	0	40	0	40	0	40	0	40	0	40	NMX-V-005-NORMEX
Esters (such as ethyl acetate)	2	200	2	200	2	250	2	250	2	250	NMX-V-005-NORMEX
Furfural	0	4	0	4	0	4	0	4	0	4	NMX-V-004-NORMEX

Of particular relevance to this application are the highlighted specifications minimum and maximum alcohol content, which allow *Tequila* to be produced between 35% and 55% alcohol by volume.

“Tequila” in the Food Standards Code

“Tequila” is a spirit

Tequila qualifies as a *spirit* in terms of the definition in Standard 1.1.2-3 of the FSC. Standard 1.1.2-3 defines a spirit in the following terms:

spirit means an alcoholic beverage consisting of:

(a) a potable alcoholic distillate, including whisky, brandy, rum, gin, vodka and tequila, produced by distillation of fermented liquor derived from food sources, so as to have the taste, aroma and other characteristics generally attributable to that particular spirit; or

(b) such a distillate with any of the following added during production:

(i) water;

(ii) sugars;

(iii) honey;

(iv) spices.

“Tequila” is a geographical indication

Tequila qualifies as a GI for spirits within the definition in the FSC. “Geographical indication” is defined in Standard 2.7.5-4(3) in the following terms:

“geographical indication means an indication, whether express or implied:

(a) which identifies a spirit as originating in a particular country, locality or region; and

*(b) where a given quality, reputation or other characteristic of the spirit is essentially attributable to its origin in that particular country, locality or region”.*¹

Under the FSC, only *Tequila* made in accordance with the *Denominación de Origen* rules specified by the Mexican Government can use the name *Tequila*. Standard 2.7.5-4(1) provides that:

*“A *geographical indication must not be used in relation to a spirit, even where the true origin of the spirit is indicated or the geographical indication is used in translation or accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like, unless the spirit has been produced in the country, locality or region indicated.”*

“Tequila” and the minimum alcohol percentage

As above, *Tequila* qualifies as both a spirit and a GI in terms of the FSC, and therefore only products made in accordance with the official Mexican GI rules can be sold as *Tequila* in Australia and New Zealand. Despite this, some products legally entitled to use the *Tequila* GI are excluded from the Australian and New Zealand markets by virtue of the minimum alcohol requirement for spirits.

¹ This definition substantially reproduces the definition of “geographical indication” in Article 23 the WTO Agreement on Trade Related Aspects of Intellectual Property, to which Australia, New Zealand and Mexico are signatories.

Standard 2.7.5-3 (3) of the FSC specifies that: “A food that is sold as a spirit must be a spirit and contain at least 37% alcohol by volume”.

However, as above, the Mexican rules provide that products entitled to use the *Tequila* GI may have a minimum alcohol content of no less than 35% alcohol by volume.

The effect is that *Tequila* with 35% or more alcohol by volume but less than 37% alcohol by volume cannot be sold in the Australian and New Zealand markets at all. Because *Tequila* is both a class of spirits and a GI under the FSC, *Tequila* with less than 37% alcohol by volume cannot be sold under any other standard or as a non-standardised alcoholic beverage.

It is important to note in this regard that in general the 37% minimum alcohol percentage does not prevent non-GI products spirit-type products below 37% from being sold in Australia and New Zealand, provided that they are sold as non-standardised alcoholic beverages rather than as spirits.

The minimum alcohol percentage in Standard 2.7.5-3 (3) serves to protect the identity of products that are traditionally considered spirits for the benefit of both consumers and producers, since such products typically have a minimum alcohol of 37% or higher. However, in the particular case of *Tequila* this acts as an unintended restriction because of the traditionally lower minimum alcohol. It is for this reason that an exception must be sought to accommodate this unique product.

Consumer information and choice

A key objective of the FSC is the provision of adequate information relating to food to enable consumers to make informed choices, and the question of consumer choice is a key factor in FSANZ's assessment of proposals to change the FSC.

The slightly lower alcohol percentage permitted in the rules for the *Tequila* GI is a point of difference for the product, which originates from a different geographical and historical context as well as different base materials (agave plant) from other spirits products. By excluding certain products legitimately produced under the *Tequila* GI from the market, consumer choice is inhibited and consumers do not have access to the full range of *Tequila* products.

In order to enter the market, some producers would need to re-formulate or alter the characteristics of their products which can affect the integrity of the product and create unnecessary cost. This could have a negative impact on a particular brand's essential characteristics or taste profile. For smaller producers particularly (artisanal *Tequila* being a growth category) producing specifically for the Australian or New Zealand market could be uneconomical. These factors may make entry into the New Zealand and Australian markets undesirable or impossible for producers / product lines at 35% abv. In effect, this acts as an obstacle to trade that does not appear to have a justification in either food safety or consumer information objectives.

Consistency with other legal definitions of “spirits”

The proposed change is consistent with definitions of “spirits” found elsewhere in the laws of New Zealand and Australia. It would therefore not have collateral regulatory impacts. The presence of broader definitions also suggests that the general understanding of “spirits” is not strictly circumscribed by the minimum alcohol of 37% by volume for all such products.

In New Zealand, section 5 of the *Sale and Supply of Alcohol Act 2012* defines “spirit” as: “a potable alcoholic distillate, including whisky, brandy, rum, gin, vodka, and tequila, that contains at least 23% ethanol by volume measured at 20°C, produced by distillation of fermented liquor derived from food sources, so as to have the taste, aroma, and other characteristics generally attributable to that particular spirit” [Emphasis added]

New Zealand’s *Geographical Indications (Wine and Spirits) Registration Act 2006* defines “spirit” in section 5 as: “a potable alcoholic distillate, including whisky, brandy, rum, gin, and vodka, produced by distillation of fermented liquor derived from food sources, so as to have the taste, aroma, and other characteristics generally attributable to that particular spirit”. No minimum alcohol percentage is specified in that Act.

For Customs and statistical purposes in New Zealand, there is no formal minimum alcohol for “spirits and spirituous beverages” (other than the 1.15% minimum for alcoholic beverages) although 23% alcohol by volume appears to be the de facto baseline for spirits.²

In Australia, pursuant to the *Excise Act 1901* and the *Excise Tariff Act 1921*, the term “spirit” encompasses products exceeding 10% alcohol by volume.

While these definitions do not serve the same legal purpose as the FSC definition, it is notable that under all of these definitions, a *Tequila* at 35% is still *Tequila* and is still a spirit.

Recognition of the “Tequila” GI

The *Tequila* GI has been referred to in agreements signed by the governments of Australia and New Zealand. While not yet in force, these agreements signify the intent of the government recognise the *Tequila* GI. The restriction on minimum alcohol content for *Tequila* creates an anomalous situation whereby not all of the products referred to in these agreements are permitted for sale in Australian and New Zealand.

Both Australia and New Zealand have signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This is an agreement between various Pacific Rim countries including Mexico. It has been signed by the parties and is currently in the process of ratification.

² For example, Statistics NZ disaggregates its data on spirits available for consumption on the basis of spirits drinks being all products below 23% and spirits being all products above 23%.

The CPTPP is based on a previous agreement, the Trans-Pacific Partnership which was also signed but did not come into force. As part of the TPP, both Australia and New Zealand signed side-letters³ with the Government of Mexico recognizing that *Tequila* is exclusively manufactured in Mexico and that it should not be sold in Australia and New Zealand unless manufactured in accordance with the laws of Mexico.

The operative text of both side letters is substantially identical, and reads:

1. The Australia New Zealand Food Standards Code (the "Code") allows recognition of Tequila [...] as products exclusively manufactured in Mexico and that no variation of the Code is necessary for such recognition.

2. To the extent contemplated in the Code, [New Zealand/Australia] will not permit the sale of any product as Tequila [...] unless it has been manufactured in Mexico according to the laws of Mexico governing the manufacture of Tequila [...] and the product complies with all applicable regulations of Mexico for the sale or export as Tequila [...].

While these undertakings are not binding obligations because the CPTPP has not yet come into force, they clearly demonstrate the understanding of the parties that the FSC as it is currently drafted provides for recognition of *Tequila* as a spirit GI reserved exclusively for products manufactured in accordance with the official Mexican rules.

Since the letter of these undertakings is already in place in Standard 2.7.5 of the FSC, it is anomalous that not all products that are legally entitled to use the *Tequila* GI can benefit from the recognition of *Tequila* as a product of exclusively Mexican origin.

(b) Advantages and disadvantages of proposed change over status quo

This change will allow all products entitled to use the *Tequila* GI to be sold in Australia and New Zealand. This will facilitate consumer choice and avoid the creation of unnecessary and inconsistent obstacles to trade.

There is no food safety or health impact from the proposed change because the FSC already permits alcoholic beverages to be sold at alcohol levels of 35% by volume.

There is no negative impact of the provision of information to consumers from the proposed change, nor does it raise any issues regarding misleading or deceptive conduct. All alcoholic beverages are required to display by the alcohol by volume and the number of standard drinks on the label. The

³ New Zealand: <https://www.tpp.mfat.govt.nz/assets/docs/side-letters/New%20Zealand-Mexico%20Side%20Letter%20Treatment%20of%20Certain%20Products.pdf>; Australia: <http://dfat.gov.au/trade/agreements/tpp/official-documents/Documents/australia-mexico-distinctive-products.PDF>

proposed change will allow consumers to have greater choice as well as a more complete understanding of the *Tequila* GI as including products with 35% alcohol by volume.

It is conceivable that there may be other GI spirits whose rules permit production at alcohol levels below 37% by volume. However, the applicant's membership includes companies responsible for the majority of spirits sold in New Zealand, and it has made its counterpart organisation in Australia aware of this application. No other spirits' GIs have expressed a need for a similar change.

(c) Status of similar applications made in other countries

No applications are being made by the Applicant to other national jurisdictions since this application relates to the wording of the definitions in the FSC only.

3.1.1D.1 REGULATORY IMPACT INFORMATION

D.1.1 Costs and benefits

(a) Costs and benefits to consumers

There are no costs to consumers from the proposed change. The principle benefit to consumers is the availability of a full range of products legitimately entitled to use the *Tequila* GI.

(b) Costs and benefits to industry and business in general

There are no costs to industry and business in general from the proposed change. The main benefit to producers, importers and retailers is the availability of a full range of products legitimately entitled to use the *Tequila* GI.

An additional benefit for importers, retailers and consumers of *Tequila* is that product imported at 35% will bear marginally less excise-equivalent duty than products at 37% or above, since such duty is charged on the basis of the litres of alcohol within the product.

Nevertheless, the Applicant does not believe that the proposed change will result in any significant commercial advantage for importers and retailers of *Tequila*. *Tequila* is a comparatively high cost product (the average price is NZ\$55 per litre) that has a small market share. The Applicant represents a wide range of GI spirits and notes that none of these are seeking a lowered alcohol percentage for their particular GIs.

(c) Costs and benefits to government

There are no costs to Government from the proposed change.

Benefits would include consistency with the rules of major trading partners and consistency with international recognition of the *Tequila* GI as outlined above.

D.1.2 Impact on International Trade

The proposed change would have a small but positive impact on international trade by removing an unnecessary obstacle to the importation of legitimate *Tequila* products as outlined above.

PART 3.1.1E INFORMATION TO SUPPORT THE APPLICATION

Public health and safety issues

The Applicant believes that the approval of this application is consistent with FSANZ's obligation to protect public health and safety.

The application does not involve any increase in the risk profile of the products concerned. On the contrary it allows for a reduced alcohol content, taking into account that misuse of alcohol can have negative health impacts. All other aspects of the products in question would remain unchanged

Support for the application

The Applicant is a voluntary non-profit organisation. It is the sole organisation representing the spirits industry in New Zealand. Its membership represents a substantial majority of the importers, distributors and producers of spirits in New Zealand. This application has been duly approved by the Board of the Applicant.

The Applicant has received a letter confirming the support of the Distilled Spirits Industry Council of Australia for this application. DSICA is the peak body representing the interests of distilled spirit manufacturers and importers in Australia and was formed in 1982. Its members include the leading global manufacturers and importers of distilled spirits operating in the Australian market. A copy of that letter is attached as **Appendix 3**.

The Applicant has also received a letter confirming the support of the *Cámara Nacional de la Industria Tequila* (National Chamber for the Tequila Industry) in Mexico. This is the Mexican trade association which formally represents the interests of *Tequila* producers in accordance with Mexican law. A copy of that letter is attached as **Appendix 4**.

PART 3.1.1F ASSESSMENT PROCEDURE

The Applicant's view is that the appropriate assessment procedure is **General Procedure, Level 1**.

The application is for a minor change to the compositional standard for a food that is extremely limited in scope. The application is likely to:

- involve an assessment of the risk to public health and safety of less than average complexity;
- have a limited, or no, social or economic impact;

- require a toxicological, nutritional, food technology, dietary modelling or microbiological assessment of less than average complexity;
- require an assessment of risk management measures of less than average complexity; and
- involve the development of no more than a basic community communications strategy to address public concern.

PART 3.1.1G AND H COMMERCIAL INFORMATION

The Applicant consents to the application being non-confidential in its totality.

PART 3.1.1I EXCLUSIVE CAPTURABLE BENEFIT

There is no exclusive capturable benefit to the Applicant itself. All producers, importers and sellers of genuine *Tequila* will benefit from this amendment.

PART 3.1.1J INTERNATIONAL AND OTHER NATIONAL STANDARDS

J.1 Codex Alimentarius

There is no Commodity Committee or commodity standard for spirits generally or *Tequila* specifically in the Codex Alimentarius standards. This means that there is no formal definition or specification for such products.

For the purposes of the General Standard of Food Additives, *Tequila* is specifically named as being included within Category 14.2.6 *Distilled spirituous beverages containing more than 15% alcohol*. While the GSFA specifies that food category descriptors are not legal product designations nor are they intended for labelling purposes, it is relevant to note that it does not proscribe a minimum alcohol content for *Tequila* at 35%.

J.2 Other National Standards or Regulations

European Union

In 1997, the European Union and Mexico signed the *Agreement between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks*, under which the EU agreed to protect *Tequila* as a product made exclusively in accordance with the laws of Mexico.⁴ *Tequila* is not specified as a category of spirit drinks within the relevant EU directive, and

⁴ https://ec.europa.eu/agriculture/sites/agriculture/files/wine/third-countries/documents/mexico-1997_en.pdf

therefore it falls within the 15% minimum alcohol content specified generically for such products.⁵ Consequently, *Tequila* is both a protected name for Mexican products within the EU and it can be placed on the EU market at the minimum content specified in Mexican law.

Canada

Canadian law requires that a spirits may only be sold under the name *Tequila* if it has been manufactured in Mexico in accordance with the laws and regulations of Mexico governing the manufacture of *Tequila*.⁶ There is no minimum alcohol content specified in Canadian law for spirits generally or *Tequila* specifically. Consequently, *Tequila* is both a protected name for Mexican products within Canada and it can be placed on the Canadian market at the minimum content specified in Mexican law.

Other: International recognition of the “Tequila” GI

The *Tequila* GI is one of the most widely recognised spirits GIs in the world. After its recognition in Mexico in 1974, it was subsequently registered in 1978 with the World Intellectual Property Organisation (WIPO) pursuant to the *Lisbon Agreement for the Protection of Appellations of Origin and their International Registration*.⁷ It used is by WIPO as a case study for geographical indications.⁸

The *Tequila* GI is recognised in international agreements between Mexico and 10 other countries as well as the European Union. It is registered as a geographical indication or a brand or certification mark (according to the legal system) in at least 10 countries as well as in the European Union.⁹

PART 3.1.1K STATUTORY DECLARATION

This document is submitted in the form of a statutory declaration.

PART 3.1.1L CHECKLIST

Refer attached document.

⁵ Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks: <http://eur-lex.europa.eu/legal-content/en/TXT/?qid=1469524988293&uri=CELEX:02008R0110-20160705>

⁶ *Spirit Drinks Trade Act*, S.C. 2005, c. 39. This gives effect to, among other things, undertakings in NAFTA.

⁷ Australia and New Zealand are members of WIPO but are not signatories to this agreement.

⁸ <http://www.wipo.int/ipadvantage/en/details.jsp?id=2611>

⁹ Details of the international protection of the *Tequila* GI can be found on the website to the Mexican regulator, the *Consejo Regulador de Tequila*:

https://www.crt.org.mx/index.php?option=com_content&view=article&id=78&Itemid=340

PART 3.6.1 STANDARDISED FOODS

PART 3.6.1A GENERAL INFORMATION TO SUPPORT THE PROPOSED COMPOSITIONAL CHANGE

A.1 Description of the nature of the proposed compositional change

The proposed amendment would result in spirits that are entitled to use the *Tequila* GI having a minimum alcohol content of no less than 35% by volume. This would result in a one particular type of GI spirits being available on the market at a slightly reduced alcohol content.

A.2 List of the foods likely to be affected by the proposed compositional change

Spirits that are entitled to use the *Tequila* GI are the only foods affected by the proposed compositional change.

PART 3.6.1B INFORMATION RELATED TO NUTRITIONAL IMPACT

B.1 Information on the nutritional content of the standardised food

The proposed change would have the effect of allowing products using the *Tequila* GI to have slightly lower alcohol content, and consequently slightly lower calorie content. A 700 ml bottle of *Tequila* at 37% alcohol by volume will contain approximately 1430 calories from alcohol, whereas the same bottle at 35% alcohol by volume will contain approximately 1353 calories from alcohol.¹⁰

However, alcoholic beverages are discretionary products that should be consumed in moderation and not for their nutritional content. Therefore, any impact on nutritional content from the proposed change should not be considered significant from a health perspective.

It is also relevant to note that the proposed change will affect only a very limited set of products. Affected population groups for the consumption of products using the *Tequila* GI are adults over the drinking age.

The total volume of spirits over 23% abv available for consumption in New Zealand for the year ended September 2017 was 13.1 million litres.¹¹ That is approximately 2.8% of the total volume of alcoholic beverages available for consumption (467 million litres) in New Zealand during that period. Looking at

¹⁰ It should be noted that the metabolisation of calories from alcohol is not as efficient as calories from other food sources.

¹¹ Source: Statistics New Zealand NB: this data uses the Customs classification of spirits as being spirituous beverages of greater than 23% alcohol by volume.

the volume of pure alcohol available for consumption as spirits over 23% abv, this category accounts for 16.5% of the total pure alcohol available for consumption in New Zealand.

Official data in respect of *Tequila* specifically is not available. However the applicant calculates that products using the *Tequila* GI account for just 256,000 litres of product; that is, 2.1% of all spirits and 0.5% of all alcoholic beverages available for consumption.¹²

PART 3.6.1C INFORMATION RELATED TO POTENTIAL IMPACT ON CONSUMER UNDERSTANDING AND BEHAVIOUR

C.1 Information to demonstrate consumer understanding of the proposed compositional change

The Applicant believes that the approval of this application is consistent with FSANZ's obligations to ensure the provision of adequate information relating to food to enable consumers to make informed choices and prevent misleading or deceptive conduct.

At present, consumers in New Zealand and Australia are not able to choose from among the full spectrum of products entitled to use the *Tequila* GI. This change will facilitate such choice.

C.2 Information to demonstrate that the proposed compositional change will not have any adverse health or diet impacts on any population groups (e.g. age or cultural groups).

As with all alcoholic beverages, there are inherent risks in misuse of alcoholic beverages which is why the sales of such products are strictly regulated. However, it is not the role of FSANZ to regulate such risks.

The Applicant does not believe that the proposed amendments would increase the availability and appeal of alcohol to younger consumers. Availability of alcohol to younger consumers is strictly controlled by licensing and other laws and these will not be affected by the proposed amendments. In terms of appeal, again the Applicant notes the existing legal restrictions on advertising and marketing alcohol to young people. As above, it is noted that *Tequila* is a comparatively expensive product with a small market share, which limits its availability to young people.

The Applicant is seeking to allow products using the *Tequila* GI to enter the market at slightly lower alcohol percentages. This is unlikely to have any increase in health or diet impacts, given that the main health dietary impacts from the consumption of alcohol beverages relate to the presence of alcohol.

In any event, other products can already be sold on the market at 35% alcohol by volume. For these reasons, the Applicant believes that there should be few if any additional health or dietary impacts.

¹²Based on applicant's own data. This total includes both domestic sales and duty free sales.

APPENDIX 1 - GENERAL DECLARATION FOR PROTECTION OF THE APPELLATION OF ORIGIN "TEQUILA"

GENERAL DECLARATION FOR PROTECTION OF THE APPELLATION OF ORIGIN "TEQUILA"

SECRETARY OF HERITAGE AND INDUSTRIAL DEVELOPMENT

At margin a seal with the Mexican National Emblem, stating: United Mexican States.—Secretary of Heritage and Industrial Development.-- General Direction of Inventions and Trademarks.
Official Letter Number: 16-I.-57348.

SUBJECT: General Declaration for Protection of the Appellation of Origin "Tequila".

The Secretary of Heritage and Industrial Development, pursuant with Articles 153, 160, 161, 162 and other related and applicable articles of the Law of Inventions and Trademarks and Article 33 Section XIX and the 5th Transitory Article of the Federal Public Administration Law, having on account the following:

- 1.- The Federation Official Newspaper published on December 9, 1974 the resolution of the then Secretary of Industry and Commerce, granting protection to the Appellation of Origin Tequila.
- 2.- On September 20, 1976, Tequilera la Gonzalena, S.A., asked for an extension of the territory comprising the Appellation of Origin Tequila before the Secretary of Industry and Trade to include the Municipalities of Altamira, Aldama, Antiguo and Nuevo Morelos, Gomez Farias, Llera, Ocampo, Xicotencatl and Gonzalez, all of them located at the State of Tamaulipas.
- 3.- The Federation Official Newspaper published on September 23, 1976 a summary of petition as referenced in paragraph above under terms of Article 156 of the Law of Inventions and Trademarks.
- 4.- A 45-days term was granted to any third party to formulate remarks and submit objections to the petition submitted by Tequilera la Gonzalena, S.A. Only said remarks and objections were submitted by the Regional Chamber of the Tequila Industry. Other companies also submitted objections but out of the due date. Those companies were: Tequila El Viejito, S.A., Tequila Sauza, S.A., Jorge Salles Cuervo, Tequilera Sánchez Rosales, S.A., Tequila Tapatio, S.A., Tequila San Matias, S.A., Tequila Rosales, S.A., Rio de Plata, S.A.,

Tequila Orendain, S.A., Empresa Ejidal Tequilera Amatitán, Tequila Viuda de Romero, S.A., Tequila Eucario González, S.A., Tequila Virreyes, S.A., Tequila Viuda de González, S.A. and Tequila Cuervo, S.A.

5.- Notwithstanding the foregoing, writings submitted were checked and after reviewing them, it was found that objections received did not restrict the territorial extension requested, since:

- a) Industrial men of the State of Jalisco promoted the agave growing within the State of Tamaulipas;
- b) Agave growing in the area of the State of Tamaulipas which enhancement is requested, meets the quality requirements set forth by the Standard issued by this Secretary;
- c) Investments that have been made in that area are high and can predict a significant development with the consequent employment generation and natural resources exploitation;
- d) Protection provided by the Appellation of Origin must cover all groups intervening in the Tequila extraction, production and preparation;
- e) there is need to increase the raw material to produce Tequila in order to supply increasing demand for this product, specially from abroad and avoid the use of sugars different from agave sugars in its preparation.

6.- The Secretary of Heritage and Industrial Development considers as appropriate to adapt the Declaration for Protection of the Appellation of Origin Tequila to the provisions of law contained in the Law on Inventions and Trademarks to include Municipalities in addition to those already established in the Declaration and those seeking of Maravatio in Michoacan and Mante and Tula in Tamaulipas for having characteristics similar to the above mentioned.

After reviewing it, it was resolved;

**GENERAL DECLARATION FOR PROTECTION OF THE APPELLATION OF ORIGIN
"TEQUILA"**

1st.- Protection foreseen by Fifth Chapter of the Law of Inventions and Trademarks into force to the Appellation of Origin "Tequila", to be applied on the alcoholic beverage of that same name.

2nd.- The Appellation of Origin protected by this General Declaration shall be applied only to the alcoholic beverage known with the same name as referred in the "Quality Official Standard for Tequila", as established by the General Direction for Standards of the Secretary of Heritage and Industrial Development.

Characteristics and raw material used for product elaboration and procedure for its manufacturing shall be always the same as determined in said Official Standard.

3rd.- For the purposes of this protection declaration, the entire protected Mexico territory of origin is located within the State of Jalisco: the Municipalities of Abasolo, Ciudad Manuel Doblado Cueramero, Huanimaro, Penjamo and Purisima del Rincon; in the State of Guanajuato: the Municipalities of Brisenas de Matamoros, Chavinda, Chilchota, Churintzio, Cotija, Ecuandureo, Jacona, Jiquilpan, Maravatio, Nuevo Parangaricutiro, Numaran, Pajacuaran, Periban, La Piedad, Regules, Los Reyes, Sahuayo, Tancitaro, Tangamandapio, Tangancicuero, Tanhuato, Tingüindin, Tocumbo, Venustiano Carranza, Villamar, Vistahermosa, Yurecuero, Zamora and Zinaparo; into the State of Michoacan: the Municipalities of Ahuacatlan, Amatlan de Canas, Ixtlan, Jala, Jalisco, San Pedro de Lagunillas, Santa Maria del Oro and Tepic, of the State of Nayarit; and the Municipalities of Aldama, Altamira, Antiguo de Morelos, Gomez Farias, Gonzalez, Llera, Mante, Nuevo Morelos, Ocampo, Tula and Xicotencatl of the State of Tamaulipas.

4th.- The Secretary of Heritage and Industrial Development will grant the right to use the Appellation of Origin protected by this General Declaration to any individual or corporation who meets requirements set forth by Article 164 of the Law for Inventions and Trademarks.

5th.- General Declaration terms may be amended as foreseen by Article 161 of the Law for Inventions and Trademarks into force ex – officio or upon interested party request.

6th.- The Secretary of Heritage and Industrial Development, through the Foreign Affairs Secretary, shall arrange the registry of the Appellation of Origin referenced in this General Declaration to get international protection as per agreements in this field.

FIRST TEMPORARY ARTICLE. This General Declaration shall be published by the Federation Official Newspaper and the Bulletin of the Industrial Property.

SECOND TEMPORARY ARTICLE. General Declaration to Appellation of Origin Tequila dated November 22, 1974, as published by the Federation Official Newspaper on December 9, 1974, is hereby overruled.

THIRD TEMPORARY ARTICLE. Authorizations for use granted as per the fourth item of the Declaration hereby amended, shall be in effect under terms of this Declaration if it is not opposite to terms of this amendment.

Effective Suffrage. No Reelection.
Secretary, José Andrés Oteyza.-Signature

Source: Consejo Regulador del Tequila

https://www.crt.org.mx/index.php?option=com_content&view=article&id=74&Itemid=322

APPENDIX 2 - OFFICIAL MEXICAN STANDARD FOR TEQUILA

NOM-006-SCFI-2005

Alcoholic Beverages – Tequila – Specifications

This NOM applies to all processes and activities related to the supply of agave, production, bottling, marketing, information and business practices linked to the distilled alcoholic beverage known as Tequila, pursuant to the specifications of this NOM. Said beverage is subject to the process detailed below, using Agave of the species tequilana weber blue variety, grown in the federal states and municipalities indicated in the Declaration.

Furthermore, this NOM establishes the technical specifications and legal requirements for the protection of the Appellation of Origin of "Tequila", in accordance with the current General Declaration of Protection of the Appellation of Origin of "Tequila," the Law, the Industrial Property Law, the Federal Consumer Protection Law and other related legal provisions.

Chapter Index

0. Introduction
1. Purpose
2. Scope of Application
3. References
4. Definitions
5. Classification
6. Specifications
7. Sampling
8. Test Methods and Verification
9. Quality Control
10. Marketing
11. Commercial Information
12. Alcoholic Beverages Containing Tequila, Naming, Labeling, and Specifications
13. Conformity Assessment
14. Enforcement
15. Normative Appendixes
16. Bibliography
17. Concordance with International Standards Transitional Provisions

0 INTRODUCTION

This Official Mexican Standard relates to the Appellation of Origin of "Tequila," held by the Mexican government pursuant to the Industrial Property Law. The issuance of this NOM is necessary, pursuant to point 2 of the General Declaration of Protection of the Appellation of Origin of "Tequila," published in the Official Gazette of Mexico on October 13, 1977 (hereinafter, the "Declaration") and Article 40 Section XV of the Federal Law on Metrology and Standardization.

1. PURPOSE

This NOM establishes the characteristics and specifications to be met by those involved in the production chain, industry and trade of Tequila, in accordance with the process defined below.

2. SCOPE OF APPLICATION

This NOM applies to all processes and activities related to the supply of agave, production, bottling, marketing, information and business practices linked to the distilled alcoholic beverage known as Tequila, pursuant to the specifications of this NOM. Said beverage is subject to the process detailed below, using Agave of the species tequilana weber blue variety, grown in the federal states and municipalities indicated in the Declaration. Furthermore, this NOM establishes the technical specifications and legal requirements for the protection of the Appellation of Origin of "Tequila," in accordance with the current General Declaration of Protection of the Appellation of Origin of "Tequila," the Law, the Industrial Property Law, the Federal Consumer Protection Law and other related legal provisions.

3. REFERENCES

In order to verify the specifications set forth in this NOM, the Official Mexican Standards, Mexican Standards, specifications, procedures and test methods currently in force, or those replacing them, shall apply. Those are listed as follows:

3.1 Official Mexican Standards

NOM-030- Commercial information of quantity statement on label- Specifications, published in the Official Gazette SCFI-1993 of Mexico on October 29, 1993.

NOM-106- Design characteristics and conditions for use of the official countersign, published in the Official SCFI-2000 Gazette of Mexico on February 2, 2001.

NOM-117- Goods and services - test methods for the identification of cadmium, arsenic, lead, tin, copper, iron, zinc
SSAI- and mercury in food and drinking water by spectrometry of anatomic absorption, published in the
1994 Official Gazette of Mexico on August 16, 1995.

NOM-120- Goods and services - hygiene and health practices for the processing of foods, alcoholic and non-
SSAI alcoholic beverages, published in the Official Gazette of Mexico on August 28, 1995.

NOM-142- Goods and services - alcoholic beverages - health specifications. Health and commercial labeling,
SSAI published in the Official Gazette of Mexico on July 9, 1997.

NOM-127- Environmental Health, Water for use and human consumption. Allowed limits for quality and
SSAI- treatments to which water must be subjected to make it drinkable, published in the Official Gazette of
1994 Mexico on January 18, 1996.

NMX-V-
004- Alcoholic Beverages - Determination of furfural. Test methods, published in the Official Gazette of
NORMEX- Mexico on June 23, 2005.
2005

NMX-V-
005- Alcoholic Beverages- Determination of esters, aldehydes, methanol and higher alcohols (fuel oils) –
NORMEX- Test methods, published in the Official Gazette of Mexico on June 23, 2005.
2005

NMX-V-
006- Alcoholic beverages – determination of direct reducing sugars and total sugars - Test methods,
NORMEX- published in the Official Gazette of Mexico on June 23, 2005.
2005

NMX-V-
013- Alcoholic beverages - Determination of alcohol content (percentage of alcohol by volume at 293
NORMEX- k(20°C)(% alc. vol.) - Test methods, published in the Official Gazette of Mexico on June 23, 2005.
2005

NMX-V-
017- Alcoholic beverages - Determination of dry extract and ash - Test methods, published in the Official
NORMEX- Gazette of Mexico on June 23, 2005.
1995

NMX-V- Alcoholic beverages - Alcoholic beverages containing tequila- Naming, labeling and specifications,
049- published in the Official Gazette of Mexico on May 21, 2004.

3.2 Mexican Standards

4. DEFINITIONS

For purposes of this NOM, the following definitions, in alphabetical order (in Spanish) shall apply:

4.1 Mellowing

Procedure to soften the flavor of the Tequila, through the addition of one or more of the following ingredients:

- Caramel coloring
- Natural oak or Encino oak extract (holm or holm oak extract).
- Glycerin
- Sugar-based syrup

4.2 Agave

For purposes of this NOM, the plant from the Agavaceas family, with long, fibrous, lanceolate leaves of a bluish color whose useable part in the manufacture of Tequila is the heart or head.

The only species allowed for purposes of this NOM, is the tequilana weber blue variety, grown and harvested within the territory specified in the Declaration.

4.3 Good Manufacturing Practices

The set of guidelines and interrelated standards and procedures intended to ensure that Tequila is consistently manufactured according to its specifications.

4.4 Declaration

The General Declaration of Protection of the Appellation of Origin of "Tequila," published in the Official Gazette of Mexico on October 13, 1977 and its subsequent amendments and additions.

4.5 Agency

Any agency, pursuant to Article 26 of the Federal Public Administration Law.

4.6 Distillation

It's the separation of the components of a liquid mix by partial steaming and recuperating of the steam and its residues; in other words, it is the separation of a mix of substances, where the volatile ones are separated or fractured from the non volatile substances. The alcoholic distillation is based in that the ethylic alcohol, being lighter than water, steams at a lower temperature than the boiling point of water. The steam that rises can be condensed and converted into liquid with a high alcohol content.

4.7 DGN

General Bureau of Standards of the Ministry of the Economy.

4.8 DOT

Appellation of Origin of Tequila.

4.9 Label

Any tag, insignia, inscription, image or other description or graphical representation, whether printed, stamped, engraved, embossed, placed by photogravure, stenciled or adhered to the product container or packaging.

4.10 Bottling

It is the action of pouring or introducing any material or product in the recipients that will contain it with the purpose of conserving it, protecting its physical and chemical stability and marketing.

4.11 Container

Any new container or recipient destined to keep Tequila and to enter in contact with it, conserving its physical, chemical, sensorial and sanitary integrity.

4.12 Extraction

The mechanical, physical, chemical, biological procedure or combination thereof that allows for the separation of the sugars or carbohydrates of the agave.

4.13 Fermentation

The transformation of the sugars of vegetable origin into ethylic alcohol and carbon dioxide, with the creation of other compounds that will contribute to the final sensorial characteristics of Tequila.

4.14 Filtration

The process of separating the solid particles present in Tequila, through a filtration agent.

4.15 Formulation

The stage previous to the fermentation, where the musts are prepared to obtain adequate fermentation conditions and, depending on the case, to comply with the 51% in mass of direct reducing sugars obtained from the agave.

4.16 Hydrolysis

The chemical, thermal, enzymatic procedure or combination thereof, that has the purpose of breaking the complex carbohydrates contained in the agave, mainly the inuline, to obtain simple sugars suitable for fermentation.

4.17 IMPI

The Mexican Industrial Property Institute.

4.18 Jima

Action that consists in removing the agave leaves from its heart.

4.19 Law

The Federal Law on Metrology and Standardization

4.20 Minimum and Maximum Limits

The quantity set in this NOM for which no tolerance is allowed.

4.21 Lot or Batch

The quantity of a product bottled during a single period of time to ensure its identification.

4.22 Tequila Aging

The slow transformation that allows the product to acquire additional sensorial characteristics, obtained through physical-chemical processes that take place naturally while the product is resting in oak or Encino oak (holm or holm oak) containers.

4.23 Maquila (Sub contracting)

Any activity concerning the manufacturing process of an authorized producer that is sent to another authorized producer to be completed by him or her.

4.24 Cold Mixing

They consist of adding or mixing any alcoholic beverage different to Tequila during the manufacturing stages of Tequila, including the finished product.

4.25 Musts

Sugary liquid, obtained from the extraction of the hydrolyzed agave and added with other sugars, according to this NOM, ready to be fermented.

4.26 NMX

Mexican Standard.

4.27 NOM

Official Mexican Standard.

4.28 Manufacturing Stages

The stages in the Tequila-making process during which the raw materials undergo chemical, biochemical and physical changes until a specific product is obtained in each stage. Said process includes the following basic stages, among others: harvest or jima, hydrolysis, extraction, formulation, fermentation, distillation, aging, as applicable, filtration and bottling.

4.29 Conformity Assessment Body

The Regulatory Council or individual accredited and approved pursuant to the Law to verify compliance with this NOM.

4.30 Authorized Producer

The individual or legal entity authorized by the DGN and the IMPI, in accordance with their respective authority, to engage in the manufacture of Tequila in facilities that must be located within the territory specified in the Declaration. Such authorization is subject to compliance with the provisions of this NOM and other applicable regulations.

4.31 PROFECO

The Federal Consumer Protection Agency.

4.32 SE

The Ministry of the Economy.

4.33 Primary Display Panel

Area where the appellation of origin and product's brand appear according to NOM-030-SCFI (see chapter 3, References).

4.34 Tequila

The regional alcoholic beverage obtained by distilling musts, prepared directly and originally from extracted material, in the manufacturing facilities of an Authorized Producer, which must be located in the territory specified in the Declaration, derived from the hearts of tequilana weber blue variety Agave, previously or subsequently hydrolyzed or cooked, and subjected to alcoholic fermentation with cultivated or uncultivated yeasts, wherein said musts may be enhanced and blended together before fermentation with other sugars up to a proportion no greater than 49% of total reducing sugars expressed in units of mass, pursuant to this Official Mexican Standard, and with

the understanding that cold mixing is not permitted. Tequila is a liquid that, according to its type, is colorless or colored when aged in oak or Encino oak (holm or holm oak) wood containers, or when mellowed without aging.

Tequila may be enhanced by the addition of sweeteners, coloring, aromatizers and/or flavorings permitted by the Ministry of Health in order to provide or intensify its color, aroma and/or flavor.

Reference to the term "Tequila" in this NOM is understood to apply to the two categories indicated in Chapter 5, except for express references to "100% agave" Tequila.

4.34.1 Silver Tequila (Blanco)

A product whose commercial alcohol content must be adjusted by dilution with water.

4.34.2 Gold Tequila (Joven or Oro)

A product that may be enhanced by mellowing and whose commercial alcohol content must be adjusted by dilution with water.

The result of blending silver Tequila with aged and/or extra-aged Tequila is considered gold Tequila.

4.34.3 Aged Tequila (Reposado)

A product which may be enhanced by mellowing, subject to an aging process of at least two months in direct contact with the wood of oak or Encino oak (holm or holm oak) containers. Its commercial alcohol content must be adjusted by dilution with water, as applicable.

The result of blending aged Tequila with extra-aged Tequila is considered aged Tequila.

4.34.4 Extra-aged Tequila (Añejo)

A product that may be enhanced by mellowing, subject to an aging process of at least one year in direct contact with the wood of oak (holm or holm oak) or Encino oak containers with a maximum capacity of 600 liters. Its commercial alcohol content must be adjusted by dilution with water.

The result of blending extra-aged Tequila with ultra-aged Tequila is considered extra-aged Tequila.

4.34.5 Ultra-aged Tequila (Extra Añejo)

A product that may be enhanced by mellowing, subject to an aging process of at least three years, without specifying the aging time in its label, in direct contact with the wood of oak (holm or holm oak) or Encino oak containers with a maximum capacity of 600 liters. Its commercial alcohol content must be adjusted by dilution water.

5. CLASSIFICATION

5.1 Categories

Tequila is classified in one of the following two categories, based on the percentage of natural Agave sugars used in its production:

5.1.1 "100% agave"

Pursuant to Section 4.34 of this NOM, a product whose fermentation may not be enhanced with sugars other than those obtained from the tequilana weber blue variety Agave grown in the territory specified in the Declaration. For the product to be considered "100% agave" Tequila, it must be bottled in the bottling plant controlled by the Authorized Producer, which must be located within the territory specified in the Declaration.

This product must be labeled using one of the following statements: "100% de agave," "100% puro de agave," "100% agave," or "100% puro agave," to which the word "azul" ["blue"] may be added.

5.1.2 “Tequila”

The product defined in paragraph one of Section 4.34 of this NOM whose musts may be enhanced and blended together prior to fermentation with other sugars in a proportion not to exceed 49% of total reducing sugars expressed in units of mass. This maximum enhancement of up to 49% of total reducing sugars expressed in units of mass may not be done with sugars from any species of Agave. The 51% of total reducing sugars expressed in units of mass may only be enhanced with tequilana weber blue variety Agave grown in the territory specified in the Declaration.

This product may be bottled in plants not belonging to an authorized producer under strict compliance by the bottler of the conditions set forth in Section 6.5.4.2 and other applicable provisions of this NOM.

5.2 Classes

5.2.1 Based on the characteristics acquired in processes subsequent to distillation, Tequila is classified as:

- Blanco or Plata
- Joven or Oro
- Reposado
- Añejo
- Extra Añejo

5.2.2 For the international market, the classifications referenced in the foregoing paragraphs may be replaced by their translations into the applicable language, or by the following:

- “Silver” for Blanco or Plata
- “Gold” for Joven or Oro
- “Aged” for Reposado
- “Extra-aged” for Añejo
- “Ultra-aged” for Extra Añejo

6. SPECIFICATIONS

6.1 Product Specifications

6.1.1 The product covered under this NOM shall comply with the specifications set forth below:

TABLE 1- PHYSICAL-CHEMICAL SPECIFICATIONS FOR TEQUILA

Parameters	Silver Tequila	Gold Tequila	Aged Tequila	Extra Aged Tequila	Ultra Aged Tequila	Test method based on: (1)
------------	----------------	--------------	--------------	--------------------	--------------------	---------------------------

	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	
Alcohol Content at 293 K (20°C) (% Alc. Vol.)	35	55	35	55	35	55	35	55	35	55	NMX-V-013-NORMEX
Dry Extract (g/l)	0	0,30	0	5	0	5	0	5	0	5	NMX-V-017-NORMEX
Values expressed in mg/100 ml of Absolute (Anhydrous) Alcohol											
Higher Alcohols (alcohols with molecular weight higher than ethyl alcohol or fusel oil) (E.g. Amyl Alcohol)	20	500	20	500	20	500	20	500	20	500	NMX-V-005-NORMEX
Methanol (2)	30	300	30	300	30	300	30	300	30	300	NMX-V-005-NORMEX
Aldehydes (such as acetaldehyde)	0	40	0	40	0	40	0	40	0	40	NMX-V-005-NORMEX
Esters (such as ethyl acetate)	2	200	2	200	2	250	2	250	2	250	NMX-V-005-NORMEX
Furfural	0	4	0	4	0	4	0	4	0	4	NMX-V-004-NORMEX
<p>(1) For details see Chapter 3.</p> <p>(2) The minimum parameter may be reduced if the Tequila producer demonstrates to the Conformity Assessment Body that the reduction of methanol content by another process</p>											

6.1.1.1 When the tequilas defined in sections 4.34.1, 4.34.2, 4.34.3, 4.34.4, 4.34.5 are added with sweeteners, coloring, aromatizers and/or flavorings permitted by the Ministry of Health in order to provide or intensify their color, aroma and/or flavor, the total reducing sugars shall have a maximum limit of 75 g/L, according to the NMX-V-006-NORMEX and their dry extract shall have a maximum limit of 85 g/L, according to the NMX-V-017-NORMEX (see chapter 3, References). For purposes of this paragraph, compliance with Sub-section 11.1.c) is required.

6.1.2 If necessary to obtain the required commercial alcohol content, potable, distilled or demineralized water shall be used for dilution, according to NOM-127-SSA1 (see chapter 3, References).

6.1.3 For purposes of this NOM, the health specifications related to heavy metals and metalloids contained in Official Mexican Standard NOM-142-SSA1 (see Chapter 3 References) shall apply. Official Mexican Standard NOM-117-SSA1 (see Chapter 3 References) shall be considered for such purposes. Said specifications may be verified by the competent authorities and, therefore, its certification, in terms of this NOM is not required.

6.2 Agave Specifications

The Agave used as the raw material for Tequila production shall be of the species tequilana weber blue variety, grown and harvested in the territory specified in the Declaration and registered with the registry indicated in point 6.5.1.1 of this NOM.

6.3 Other Sugars

The product covered under this NOM may be enhanced with other sugars in the fermentation process up to a proportion not to exceed 49% of total reducing sugars expressed in units of mass for the Tequila referenced in Section 5.1.2; however, cold mixing is not permitted. This maximum enhancement of up to 49% of total reducing sugars expressed in units of mass may not be done with sugars from any species of Agave. The 51% of total reducing sugars expressed in units of mass may only be enhanced with tequilana weber blue variety Agave grown in the territory specified in the Declaration.

6.4 Aging

In the case of aged Tequila (reposado), the product shall be aged in direct contact with the wood of oak or Encino oak (holm or holm oak) containers for at least two months.

For extra-aged Tequila (añejo), the aging process shall last at least one year in direct contact with the wood of oak or Encino oak (holm or holm oak) containers with a maximum capacity of 600 liters.

For ultra-aged Tequila (extra añejo), the aging process shall last at least three years in direct contact with the wood of oak or Encino oak (holm or holm oak) containers with a maximum capacity of 600 liters.

The aging of the Tequila shall be performed by the Authorized Producer within the territory specified in the Declaration.

6.5 Tequila Authenticity Specifications

6.5.1 Agave

The Agave used as the raw material for Tequila production shall meet the requirements set forth below:

6.5.1.1 It shall be duly registered with the Plantation Property Registry established for such purposes by the Conformity Assessment Body. Registration shall be done within the first year of planting at the latest.

This obligation shall be the responsibility of the producers or title holders of tequilana weber blue variety Agave grown in the territory specified in the Declaration who sell or plan to sell said agave to Authorized producers.

The Authorized Producers shall be responsible for obtaining written confirmation of registration from the individuals or legal entities from whom they purchase or plan to purchase the tequilana weber blue variety Agave grown in the territory specified in the Declaration.

The Plantation Property Registry shall also include the identification of all Agave that has been committed by any legal means for use in the production of Tequila. Registration of this identification with said registry shall be the responsibility of the owner or title holder of the Agave.

6.5.1.2 It shall be supervised by the Compliance Assessment Body to confirm compliance with the requirements set forth in Sections 6.2, 6.5 and Sub-section 6.5.1.1.

6.5.2 Use of Sugars

6.5.2.1 The Tequila producer shall demonstrate, at all times, that the product has not been adulterated in the manufacturing stages of its production. To this end, the Authorized Tequila Producer shall maintain updated records of at least the following documents:

- a) Invoices or documents confirming the purchase of the raw materials (Agave and other sugars).
- b) Documents confirming raw material input and output.
- c) Documents confirming the movement of the finished product.
- d) Inventories of raw materials and finished product, including, specifically, the finished product allocated to aging or bottling.

6.5.2.2 At no time may any product that does not contain Tequila be distilled or produced in the Authorized Producer's Tequila facility.

6.5.2.3 The verification of the provisions of this NOM shall be undertaken by continuous inspections by the Conformity Assessment Body, independent of any further confirmation by any competent Governmental Agency.

6.5.3 Subcontracting in the Manufacturing Stages

Subcontracting of the manufacturing stages in facilities other than those of the Authorized Producer, shall comply with the provisions of Section 10.1 of this NOM, and said provisions shall be included in the applicable subcontracting agreement.

Compliance with the provisions of this NOM is the joint responsibility of the parties executing the subcontracting agreement. It is also their responsibility to notify the Conformity Assessment Body about the beginning of their operations at least three days before they start.

Subcontractors shall cover, as a minimum, the manufacturing stages of hydrolysis, extraction, formulation, fermentation and distillation. Therefore, the execution of those manufacturing stages in separate ways is excluded.

6.5.4 Bottling

The Tequila bottler shall demonstrate, at all times, that the product has not been adulterated between its bulk delivery and final bottling. For such purposes, bottling activities shall be subject to the following guidelines:

6.5.4.1 When dealing with the product belonging to the category referred to in section 5.1 of this NOM, the product shall be aged and bottled within the territory specified in the Declaration in the bottling plant of the Authorized Producer. In the event that the bottling plant is not located at the producer's facilities, the bulk transport of the product shall be supervised by the Conformity Assessment Body, pursuant to the current procedures approved by the DGN. The bottling plant is considered to be property of the Authorized Producer when said Authorized Producer maintains complete control over the bottling process.

6.5.4.2 The Tequila defined in Section 5.1.2 of this NOM may be bottled in bottling plants that are not a property of an authorized producer under the following conditions:

a) The bottler shall obtain a Certificate of Approval from the Ministry, pursuant to the compliance assessment procedures issued by the Ministry, which shall not replace the other certificates issued pursuant to this Official Mexican Standard and its certification procedures.

The Certificate of Approval shall be granted provided that the Ministry has evidence that the Compliance Assessment Body is provided with full access to perform onsite inspections of the existence, working activities and operation of the bottling plants.

b) The bottler who has obtained the Certificate of Approval from the Ministry shall file quarterly reports with the Conformity Assessment Body of all incoming and outgoing movements of Tequila at its facilities, as well as its initial and final inventories for the period, and any inventory shrinkage for the period reported. These reports shall be broken down by specific brands for products bottled as Tequila and generally for all brands handled by the bottler for bottled products containing Tequila. The information shall be filed with the Conformity Assessment Body electronically within the first fifteen (15) calendar days of the following quarterly periods: First Quarter - January through March, Second Quarter - April through June, Third Quarter - July through September, Fourth Quarter - October through December, in the form to be determined by the Conformity Assessment Body.

c) Authorized Producers are responsible for:

(i) applying for the Certificate of Approval for the bottler with the Ministry of the Economy.

(ii) contributing to the submission of the quarterly reports indicated in Sub-section b) above in due time and form.

(iii) in the event of elements warranting an onsite inspection in the opinion of the Conformity Assessment Body, taking the measures necessary to ensure that the Compliance Assessment Body has the access necessary to perform such inspections.

In the event that the Conformity Assessment Body or the competent Agency determines a breach of the obligations set forth in Section 6.5.4.2, it shall not issue the Domestic Transport Certificate or Tequila Export Certificate, as applicable, and the Ministry shall cancel the respective bottler's Certificate of Approval.

6.5.4.3 All bulk transport of Tequila shall be supervised by the Conformity Assessment Body pursuant to the current procedures of the Conformity Assessment Body approved by the DGN. The bottling process is subject to inspection by lot by the Conformity Assessment Body.

The bulk transport of Tequila is not permitted outside the territory specified in the Declaration for purposes other than those set forth in Sections 6.5.4.2 and 12 of this Official Mexican Standard.

The bottler who is not an Authorized Producer may not use more than one Tequila supplier per brand and per class of Tequila.

6.5.4.4 The bottler who is not an Authorized Producer may only filter or dilute the Tequila with potable, distilled or demineralized water to obtain the commercial alcohol content of the Tequila within the parameters permitted under this NOM. Therefore, it may not age or mellow the Tequila.

6.5.4.5 The bottler who is not an Authorized Producer may only bottle the product that has been produced under the supervision of the Conformity Assessment Body.

To this end, it shall confirm that each lot it receives has a certificate of compliance with this NOM.

6.5.4.6 The bottler shall not simultaneously bottle a product other than Tequila in its facilities, unless it has clearly differentiated bottling lines in the opinion of the Conformity Assessment Body and obtains authorization from said

Conformity Assessment Body, with the due advanced notice prior to the startup date of the simultaneous bottling of any product other than Tequila.

6.5.4.7 The bottler shall keep updated records of at least the following documents:

- a) Sales statements and invoices for Tequila and bottling materials, including labels;
- b) Comparative analytical tables of pre-sale physical-chemical specifications, within the parameters specified in Section 6.1 of this NOM;
- c) Copies of Domestic Transport Certificate and Export Certificates, as applicable, and
- d) Original Certificate of Approval issued by the Ministry of the Economy, if applicable.

6.5.4.8 To demonstrate that the Tequila has not been adulterated during the bottling process, the comparisons of chromatographic areas and peaks made at the bottling plant shall coincide with those obtained at the Authorized Producer's facility.

6.5.4.9 The Tequila shall be bottled in new sanitary containers, according to the provisions of section 4.11.

The Tequila may be bottled in glass or polyethylene terephthalate (PET) bottles and other containers pursuant to health provisions.

The capacity of each container may not exceed 5 liters and in no case may bottles be used that bear a brand name that is not property of the Authorized Producer or approved bottler pursuant to this NOM.

6.5.4.10 Compliance with the provisions of Section 6.5.4 and in general, with any aspect related to this NOM as applied to bottling, shall be confirmed by batch inspections to be conducted for such purposes by the Conformity Assessment Body independent of further confirmation by any competent Governmental Agency.

6.6 Presumption of Non-compliance.

Should any competent Governmental Agency or the Conformity Assessment Body detect noncompliance with any provision of this NOM by any party involved in the Tequila production chain, industry or trade, the commission of an infraction shall be presumed.

The foregoing is without prejudice to the inspection authority of the competent Governmental Agencies pursuant to other legal provisions.

6.7 Procedures with Authorities

Any individual or legal entity wishing to participate in the production of Tequila shall apply to the DGN for authorization to produce Tequila, and to the IMPI for authorization to use the DOT (appellation of origin). These documents shall be required for the processing of the Certificate of Product Compliance, pursuant to said agency's current procedures approved by the Ministry of the Economy.

7. SAMPLING

7.1 General Requirements

The application of the sampling plan described in this NOM, requires Authorized Producers and bottlers to maintain continuous quality control through their own infrastructure or through contracting the services of conformity assessment agencies accredited and approved pursuant to the Law, such as certification agencies, testing laboratories and/or verification units.

7.2 Bulk Product

For bulk product contained in tank cars, tanker trucks or tanks, a sample is taken of either homogenized Tequila or Tequila consisting of approximately equal portions extracted from the lower, middle and upper levels of the tank, with the understanding that the minimum volume extracted shall be 3 liters. For product contained in barrels, the sample taken shall consist of approximately equal portions extracted from the number of barrels specified in Appendix A of this NOM, ensuring that the total volume obtained is at least 3 liters.

After homogenization, each sample extracted shall be divided into 3 portions of approximately one liter each, bottled in containers duly identified with labels signed by the interested parties, and sealed to prevent their adulteration. These portions shall be distributed as follows: two to the Compliance Assessment Body or, in the absence thereof, to the DGN and one to the company visited. Of the two samples held by the Conformity Assessment Body, one is analyzed and the other is held for use in the event of third party intervention.

7.3 Smaller Containers

7.3.1 For product in smaller containers, each sample shall consist of approximately equal portions taken from the number of containers specified in Appendix B of this Official Mexican Standard, ensuring that the total volume obtained is at least 3 liters.

When the number of sampled containers is insufficient to obtain the minimum 3-liter requirement, as many containers as necessary to complete said volume shall be sampled. The samples shall be processed pursuant to the last paragraph of Section 7.2.

7.3.2 The selection of barrels or smaller containers for sampling must be random.

8. TEST METHODS AND VERIFICATION

Verification of compliance with the specifications set forth in this NOM, shall take place as follows:

8.1 Product

The test methods contained in the NMX referred to in Chapter 3 of this NOM shall be applied.

8.2 Aging

The Authorized Producer shall provide the Conformity Assessment Body with evidence of the existence of containers and shall maintain controls and continuous, numbered records of product placed in and removed from such containers.

The containers in which aging takes place shall be sealed throughout the entire process. The seals shall be placed and removed by the Compliance Assessment Agency.

8.3 Dilution Water

The Compliance Assessment Body shall confirm the existence of purification, distillation or demineralization equipment in operating condition and the equipment usage log, as well as the use of the potable, distilled or demineralized water. If applicable, it shall verify the existence of purchase or supply invoices or bills for the volumes of potable, distilled or demineralized water used.

8.4 Authenticity of the Tequila

8.4.1 Agave

The test methods determined by the Conformity Assessment Body and approved by the Ministry to identify the species tequilana weber blue variety shall be applied using general certification criteria issued pursuant to the Law.

8.5 Continuous Verification

To assess compliance with Tequila authenticity requirements and all processes and activities necessary for such purposes pursuant to this NOM, Authorized Producers and approved bottlers of Tequila shall be subject to a continuous verification procedure in the plant facilities where the product is manufactured or bottled, respectively.

The Conformity Assessment Body shall develop a procedure that provides, as a minimum, for continuous onsite verification of production or bottling activities, during the entire time such activities take place.

The Ministry of the Economy and the various competent authorities shall periodically verify compliance with this NOM by all parties involved in the Tequila production chain, industry and trade.

Pursuant to the Law, the expenses incurred for the verification referred to in this Section shall be borne by the individuals or legal entities subject to such verification.

9. QUALITY CONTROL

Pursuant to the Law, Authorized Producers and bottlers of Tequila shall maintain quality control systems compatible with applicable standards and good manufacturing processes according to the NOM-120-SSA1 (see chapter 3, references). Furthermore, they shall systematically verify compliance with the specifications contained in this NOM, using sufficient and adequate laboratory equipment, as well as appropriate test methods, maintaining statistical control of production and bottling so as to objectively demonstrate compliance with said specifications.

10. MARKETING

10.1 No individual or legal entity may produce, bottle or market any Tequila whatsoever that is not certified by the Conformity Assessment Body.

10.2 The bulk transfer of Tequila, may only be undertaken by those individuals or legal entities who are Authorized Producers pursuant to this NOM.

The country and buyer indicated on the Export Certificate issued for such purposes by the Conformity Assessment Body shall match the destination of the exported Tequila.

The Export Certificate shall be issued in the number of copies necessary for filing with the competent Agencies and the authorities of other countries where the Tequila is sent, and shall always accompany the corresponding shipment.

10.3 The bulk transfer and receipt of Tequila shall be supervised by the Conformity Assessment Body, which shall keep specific records of such transactions.

10.4 All Tequila shall be identified with the Official countersign pursuant to the current NOM-106-SCFI (see Chapter 3 References) and the registration of its respective Authorized Producer, which is assigned by the DGN or the Conformity Assessment Body.

10.5 The Authorized Producer and approved bottler of Tequila shall keep records of the number of liters produced and/or bottled daily, specifying the brands under which the product is being marketed, and shall make such records available to the Conformity Assessment Body.

10.5.1 In addition to the obligation of obtaining the certificate set forth in Sub-section 6.5.4.2. a) of this NOM, approved bottlers shall be registered with the "Bottler Registry" which shall identify Tequila bottlers based on the legal registration granted by the country where the bottling plant is located.

Said Registry shall be administered, controlled and supervised by the Conformity Assessment Body and said Registry's bottler registration number shall be included on each Domestic Transport Certificate or Export Certificate issued by the Conformity Assessment Body, as applicable, for each lot to be certified.

In the case of the United Mexican States, the identification number shall be the number of the Certificate of Approval issued by the Ministry of the Economy. For other countries to which Tequila is exported, the identification number shall be the number recognized by the Ministry of the Economy.

10.5.2 Authorized Producers are jointly responsible with approved bottlers of Tequila whose facilities are located outside the territory specified in the Declaration, for providing the Conformity Assessment Body with the information required under Section 6.5.4.2.

In the event that the Authorized Producer fails to contribute to providing the information referred to in the foregoing paragraph, the Conformity Assessment Body shall not issue Domestic Transport Certificate or Export Certificates, as applicable, for those lots to be sent to the approved bottler who fails to provide such information, and shall issue a ruling of noncompliance for the corresponding legal action.

10.5.3 Production facilities may not be used by more than one Authorized Producer, nor may they be used simultaneously, alternatively or in lieu of the Authorized Producer currently registered with the Conformity Assessment Body.

10.6 The Conformity Assessment Body shall draft a bimonthly report confirming those products that have been certified as meeting the specifications of this Draft Official Mexican Standard, identifying them by brand and Authorized Producer.

Furthermore, the Conformity Assessment Body shall report those products for which, based on the inspections performed, it has detected breaches of this NOM.

Said reports shall be sent to the DGN so that it may apply the applicable sanctions pursuant to the Law.

Individuals or legal entities authorized to produce Tequila and use the Appellation of Origin of Tequila shall comply with the provisions of this NOM, the Law, the Industrial Property Law, the Federal Consumer Protection Law and other applicable provisions.

10.7 In the event of attempted use of a brand other than the brand of the Authorized Producer or when the Tequila is bottled by someone other than the Authorized Producer, the joint responsibility agreement, including the representations and clauses published by the IMPI for such purposes in the Official Gazette of Mexico pursuant to this Official Mexican Standard and Article 175 of the Industrial Property Law, shall be filed with the IMPI for registration. The proposed labels to be affixed to the bottles in which the Tequila in question will be marketed in Mexico or abroad shall be attached to said agreement.

10.8 The approved bottler shall comply with the labeling requirements set forth in Chapter II of this NOM without prejudice to compliance with the requirements imposed by the laws of the country to which the product is exported, if applicable.

11. COMMERCIAL INFORMATION

11.1 Labeling

Each container shall bear a legible label containing the following information in the Spanish language, which shall be truth and shall not mislead the consumer with respect to the nature and characteristics of the Tequila:

- a) The word "Tequila";
- b) Category and class of the product, pursuant to Chapter 5 of this NOM;
- c) If applicable, the name of any added flavor or aroma;
- d) Net content expressed in liters or milliliters, pursuant to NOM-030-SCFI (see Chapter 3 References);
- e) Alcohol content expressed as percentage of alcohol by volume at 20°C, abbreviated as "% Alc. Vol.";
- f) Name or corporate name of the Authorized Producer or facility where the Tequila is produced and, if applicable, the approved bottler;
- g) Domicile of the Authorized Producer or facility where the Tequila is produced and, if applicable, the approved bottler;
- h) Name of the registered Trademark followed by the symbols ® or "MR" (TM);
- i) The statement HECHO EN MÉXICO (MADE IN MEXICO), PRODUCTO DE MÉXICO (PRODUCT OF MEXICO), ELABORADO EN MÉXICO (PRODUCED IN MEXICO), or other similar statements;
- j) Official countersign, pursuant to Official Mexican Standard NOM-106-SCFI (see Chapter 3 References);
- k) Lot or Batch: each container shall engraved or stamped with the coded identification of the lot to which it belongs. The lot identification provided by the Authorized Producer or approved bottler may not be altered or hidden in any manner whatsoever;
- l) The warning statements set forth in health legislation; and
- m) Any information required by other legal provisions applicable to alcoholic beverages.

11.2 Presentation of the Information

11.2.1 Domestic Market Requirements

As a minimum, the information specified in items a), b), c), d), e) and h) of Section 11.1 shall appear on the primary display panel. The rest of the information referred to in said Section shall appear and may be included on any other part of the label or container.

11.2.2 For Export Products or Products Bottled Abroad

As a minimum, the information specified in items a), b), c) and h) of Section 11.1 shall appear on the primary display panel. The information specified in items i), j) and k) of Section 11.1 shall appear and may be included on any other part of the label or container. The information specified in items b) (solely in reference to the class), c) and i) of Section 11.1 may be translated into another language.

11.2.3 The commercial information shall be free of text, images or other descriptions that mislead or confuse consumers due to their inaccuracy, such as "100% natural," "100% Mexican," "100% natural product," "100% aged" or other similar statements.

Notwithstanding the foregoing, pursuant to the Law, when the data or information contained on the labels, containers or packaging of the products is inaccurate, the DGN may order corrective modifications to such data or information, granting the Authorized Producer or approved bottler the term strictly necessary to do so, with the understanding that during said term, those products that the Authorized Producer maintains in inventory or has in the distribution chain or point of sale, may continue to be sold.

In terms of the previous paragraph, it shall be understood that the data or information contained in the labels, containers or packages of the products are inaccurate whenever they include the commercial information required by this NOM in an imprecise or erroneous manner, without expressing data or information that may mislead consumers with respect to the properties of the products they buy.

12. ALCOHOLIC BEVERAGES CONTAINING TEQUILA SPECIFICATIONS

12.1 The production, bottling and marketing of alcoholic beverages containing Tequila as an ingredient shall comply with NMX-V-49-2004 NORMEX, Alcoholic Beverages. Alcoholic Beverages Containing Tequila. Naming, Labeling and Specifications (see Chapter 3 References).

12.2 The application of methods of test for heavy metals or metalloids contained in NOM-142-SSa1 are susceptible of being verified by the competent authorities in terms of said NOM-142-SSa1 and they are not included in the certification for the products listed in this section 12.

13. CONFORMITY ASSESSMENT

The assessment of compliance with this NOM at the request of an interested party shall be undertaken exclusively by individuals accredited, and if applicable, approved by the Ministry of the Economy, to perform such assessment (Certification Bodies, Inspection Units and Testing or Calibration Laboratories, as the case may be), in compliance with the provisions of the policies and Procedures for the Conformity Assessment – Certification and Verification Procedures of products subjected to the compliance with the Official Mexican Standards competence of the Ministry of Economy, (PECS) published in the Official Gazette of Mexico on October 24, 1997.

Compliance or conformity assessment at the request of an interested party may be obtained from the DGN, only in the absence of individuals accredited, and if applicable, approved by the Ministry of the Economy.

Pursuant to the Law, the expenses of verifications arising from the assessment of compliance with this NOM, whether ordinary or extraordinary, continuous or additional, shall be borne by the individuals or legal entities subject thereto.

14. ENFORCEMENT

The surveillance and enforcement of this NOM is competence of the Ministry of Economy and the Federal Consumer Protection Agency, according to its respective attributions.

15. NORMATIVE APPENDIXES

NORMATIVE APPENDIX A

BARREL SAMPLING	
Number of barrels with Tequila of the same category and class	Number of barrels due for sampling

Up to 50	2
Between 51 and 500	3
Between 501 and 35,000	5

NORMATIVE APPENDIX B

SMALL CONTAINERS SAMPLING	
Number of barrels with Tequila of the same category and class	Number of barrels due for sampling
For exports, if the volume of the batch is 60 liters or less and does not exceed a maximum of 5 boxes, no samples are required as long as this transaction does not happen twice in a period of 3 months and to the same client.	
Up to 150	3
Between 151 and 1,200	5
Between 1,201 and 25,000	8
More than 25,000	13

16. BIBLIOGRAPHY

16.1 NOM-006-SCFI-1994, Alcoholic Beverages-Tequila-Specifications.

16.2 The General Declaration of Protection of the Appellation of Origin of Tequila published in the Official Gazette of Mexico on October 13, 1977 and amended and published in the Official Gazette of Mexico on November 3, 1999 and June 26, 2000.

16.3 Industrial Property Law, published in the Official Gazette of Mexico on August 2, 1994 and amended and published in the Official Gazette of Mexico on December 26, 1997 and May 17, 1999.

16.4 Federal Weights and Measures and Standardization Law published in the Official Gazette of Mexico on July 1, 1992 and amended and published in the Official Gazette of Mexico on December 24, 1996 and May 20, 1997.

16.5 NOM-002-SCFI-1993, Pre-packed products - Net content, tolerances and verification methods, published in the Official Gazette of Mexico on October 13, 1993.

16.6 NOM-008-SCFI-2002, General System of Units of Measure, published in the Official Gazette of Mexico on November 27, 2002.

17. CONCORDANCE WITH INTERNATIONAL STANDARDS

This standard has no concordance with international standards, there being no applicable international references at the time of its drafting.

TRANSITIONAL PROVISIONS

ONE. This NOM, once it is published in the Official Gazette of Mexico as a Definitive Standard, shall enter into effect 60 calendar days after its publication with exception of the provision relating to the labeling of those beverages referred to in section 12 of this NOM, which will enter into effect 180 calendar days after its publication.

TWO. The requirement set forth in the last paragraph of Section 5.1.2 of this NOM shall not apply to Tequila bottled prior to the effective date of this NOM.

THREE. For purposes of Section 6.5.2.2 of this NOM, those Authorized Producers who, prior to the effective date of this standard, have facilities devoted to producing any alcoholic beverage other than Tequila, shall apply to the DGN for authorization to continue such production, which shall be subject to additional and continuous verification by the Conformity Assessment Body at the expense of the Authorized Producer. This expense shall be in addition to the regular fees for product certification. The conditions mentioned in this article are those who prevail at the time of publication of this NOM, same which will be verified by the Conformity Assessment Body.

FOUR. For purposes of Section 10.5.3 of this NOM, Authorized Producers who, prior to the effective date hereof, have been using their facilities alternatively for the production of Tequila for different Authorized Producers, shall apply to the DGN for the respective authorization to continue such use, with the understanding that such activity shall be subject to continuous verification by the Conformity Assessment Body, through the mechanisms determined for such purposes by the Ministry.

FIVE. The authorizations referred to in transitional provisions Three and Four shall be requested in writing within the term of 60 calendar days as of the effective date of enactment of this NOM.

APPENDIX 3 – LETTER FROM DSICA



Spirits New Zealand
PO Box 10-612
Wellington
New Zealand

Dear

Application to change the Food Code as it relates to Tequila ABV

Further to our previous discussions on the matter of the application to change the Food Code as it relates to the definition of Tequila I can confirm that the Distilled Spirits Industry Council of Australia supports such a measure and looks forward to a successful outcome to your application.

Yours sincerely

"Free The Spirit"

Suite 1201, Level 12, 37 Bligh Street Sydney NSW 2000 Australia

Telephone 61 2 8233 6125 or 61 3 9696 4466

Email: admin@dsica.com.au

ABN 38 754 934 673

Reg. No. A0025393P

APPENDIX 4 – LETTER FROM CNIT



Ref: 007/18
Guadalajara, Jalisco. January 30, 2018

Chief Executive
Spirits New Zealand
NEW ZEALAND

Subject: Support letter for the Application to lower the minimum alcohol for the commercialization of Tequila In Asutralia and New Zealand

Dear

I write you on behalf of the Cámara Nacional de la Industria Tequilera (National Chamber for the Tequila Industry- CNIIT), which is the Mexican trade association that formally represents the interests of the Tequila producers in accordance with the Mexican laws. Our mission is to promote and defend our national product in Mexico and abroad. Following from this, any action taken by our partners around the world in this sense will be very welcome and supported by this Chamber.

Therefore, the intention of this letter is to express to you our support for the Application aiming to lower the minimum alcohol percentage by volume specified in Standard 2.7.5 of the Australia New Zealand Food Standards Code (the FSC) for spirits using the Tequila geographical indication from 37% to 35%. This will ensure that all spirits legally entitled to use the Tequila under the relevant laws of Mexico can be sold in New Zealand and Australia.

Since Tequila is an appellation of origin that is protected by the Mexican government, its production and commercialization must comply with the Mexican Official Standard for Tequila, which is the "NOM-006-SCFI-2012 Bebidas Alcohólicas- Tequila-Especificaciones". According to this Standard, Tequila must contain between 35% and 55% alcohol by volume. For this reason, the establishment of physical-chemical parameters other than these could affect the presence of Tequila in the Australian market.

Calz. Lázaro Cárdenas 3289 – 5º piso
Guadalajara, Jalisco 44500 México
Tel. +52 (33) 3121 5021 Fax: +52 (33) 3647 2031
www.tequileros.org / camara@tequileros.org



TEQUILA
CAMARA NACIONAL DE LA
INDUSTRIA TEQUILERA

Australian and New Zealand markets are very important for the industry. To illustrate that, the exportation to Australia raised in the last 3 years 16.2%, this is from 870,023 in 2005 to 1,010,748 in 2017. In the case of New Zealand, the presence of Tequila has also grown 19% in the last three years.